



**BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES**

383 KENNETH HAHN HALL OF ADMINISTRATION / LOS ANGELES, CALIFORNIA 90012

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VIOLET VARONA-LUKENS, EXECUTIVE OFFICER  
(213) 974-1411

July 21, 2005

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors,

**APPROVAL OF SUPPLEMENTAL SALARY REQUEST  
(ALL DISTRICTS) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD**

Authorize payment by Arts + Culture LA, a nonprofit organization, of a supplemental salary to the Executive Director of the Los Angeles County Arts Commission of \$43,000 per year.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

In accordance with County Code 5.44.030, the Arts + Culture LA Board of Directors has requested that the Board of Supervisors approve payment by Arts + Culture LA of a supplemental annual salary to compensate the Executive Director of the Los Angeles County Arts Commission for continued oversight of its programs and activities.

The Mayor's Task Force for the Arts recommended in a written report in October 2004 that a new entity be created to focus on increasing cultural tourism to the County of Los Angeles. Subsequently, an economic impact study of cultural tourism to the region conducted by the Los Angeles Economic Development Corporation in December 2004 showed that the Los Angeles region had substantially less cultural tourists than New York City and other major metropolitan areas, and that significant economic benefit would be gained by increasing the number of cultural tourists to Los Angeles County.

In response to these reports, Arts + Culture LA was created in February 2005 to market Los Angeles County as a cultural destination. The Eli and Edythe Broad Family Foundation seed funded the new entity. After discussion with your Board, the Executive Office authorized outside employment from February through July 2005 for the Executive Director of the Arts Commission to work on ramping up this new organization.

During this period, the City of Los Angeles committed \$2 million to Arts + Culture LA subject to the funds being matched. The first \$500,000 of these funds will be released having been matched by the Eli and Edythe Broad Family Office. Additional matching funds from the Federal government Department of Commerce in the amount of \$2.5 million are also under discussion.

Extensive research on the behaviors of cultural tourists who came to Los Angeles County in 2004 has been completed utilizing the national American Travelers Survey conducted by TNS. The more than 500 pages of data from this study have been utilized to draft a marketing plan that will include diverse strategies for increasing cultural tourism to the region, including:

- Developing new cultural product by aggregating existing events;
- Building on the propensity for cultural tourists to take package tours in Los Angeles due to the difficulty in navigating LA's transportation system individually, by working with cruise line and others to develop new tour options for visitors;
- Developing family-friendly cultural options to take advantage of the more than one-third of cultural visitors who travel with children; and
- Providing resources and technical assistance to arts organizations to enable them to fully maximize services for visitors.

If additional funds become available through a federal allocation, a national branding campaign utilizing print media and direct mail will also be executed.

The offices of Arts + Culture LA were initially housed at the Broad Foundation. In order to mesh Arts + Culture LA's marketing strategies seamlessly with the marketing efforts of LA Inc., the Los Angeles Convention and Visitors Bureau, LA Inc. will provide in-kind support for Arts + Culture LA by providing free office space, communications, technological, and staff support beginning July 29, 2005.

Arts+ Culture LA wishes to retain the continuity of the Executive Director's services as it moves into its implementation phase, but recognizes its operating budget may vary during the coming year. The Arts Commission would like to retain oversight of this marketing effort, insuring that it remains regional in nature, meets the needs of small, mid-size and large budget arts organizations, and meshes with other initiatives of the Arts Commission. The Arts Commission also believes that this marketing initiative should be undertaken on a regional basis as LA Inc. focuses primarily on the City of Los Angeles and there are only 17 other visitor and convention bureaus or tourism offices among the remaining 87 cities in the county.

In addition, there is a notable successful precedent for a local arts agency overseeing marketing efforts for a region. In the City of Chicago, the Chicago Cultural Affairs Department has direct oversight of the Chicago Visitors and Convention Bureau. Chicago currently has the largest percentage of cultural tourists of any metropolitan area in the United States.



After conducting an analysis of compensation levels for comparable positions, Arts + Culture LA's Board of Directors has concluded that a salary supplement for the Executive Director of the Arts Commission is the most cost effective way to provide leadership and oversight for its efforts. The proposed supplemental salary would bring total compensation for this position to less than the General Manager of the City of Los Angeles Cultural Affairs Department, which was \$155,723 in 2000

The Executive Director of the Arts Commission would continue to work from the Arts Commission's offices in the Hall of Administration. The Executive Director supervises another program that operates at an off-site location, the Ford Theatre, and supervises two employees whose salaries are supplemented by the Ford Theatre Foundation: the Managing Director of the Ford Theatre and the Director of Communications for the Arts Commission.

The Arts + Culture LA Board of Directors has also authorized two additional ex officio seats on its board for County officials: a representative appointed annually by the Chair of the Board of Supervisors and a representative of the Arts Commission.

#### Implementation of Strategic Plan Goals

The intent of Arts + Culture LA's marketing plan is to provide additional support for the County's cultural resources while benefiting the regional economy. This project will particularly benefit Los Angeles County's own cultural facilities, including the Music Center, Los Angeles County Museum of Art, Natural History Museum of Los Angeles County, the Hollywood Bowl, and the John Anson Ford Amphitheater, as well as its gardens such as Descanso Gardens and the Arboretum. The recommended action is consistent with the County Strategic Plan Goal of Service Excellence.

#### **FISCAL IMPACT/FINANCING**

The Executive Director of the Arts Commission's current salary is \$106,094. Arts + Culture LA will supplement this salary by \$43,000. The total combined salary for the Executive Director of the Arts Commission initially will be \$149,094, with appropriate merit and cost of living increases determined in future years both by County procedures and by the Arts + Culture LA Board. Funds for this purpose have been authorized by Arts + Culture LA's Board of Directors. This action has no impact on the General Fund.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Written Board approval of a salary supplement is required under County Code section 5.44.030, which provides as follows:

Nothing in section 5.44.020 or in any other provision of Ordinance 4099 shall be construed to prevent any officer or employee of the county from receiving for his personal use compensation from any association, nonprofit corporation or auxiliary group organization or entity of any county institute or museum, for services rendered to the county or said association, corporation, auxiliary group,

organization or entity, and for his expense of performing such services, provided such association, corporation, auxiliary group, organization or entity obtains the

prior written approval of the board of supervisors to provide such compensation, files with the county auditor-controller by September 30<sup>th</sup> of each year a statement disclosing the names of county officers and employees compensated and their respective amount of compensation for the preceding county fiscal year, and the giving or receipt of such compensation is not in violation of any state or federal law.

Nor shall Section 5.44.020 be construed to prohibit those officers and employees receiving supplemental compensation, pursuant to this section, from rendering during their office hours, or hours of work for the county, services to said association, corporations, auxiliary groups, organizations or entities. (Ord. 11355 § 1, 1976: Ord. 4099 Art. 3 § 69.7, 1942.)

#### **IMPACT ON CURRENT SERVICES**

It is anticipated that these actions will provide continuity in implementing Arts + Culture LA's marketing plans and for the Los Angeles County Arts Commission.

Respectfully submitted,



Violet Varona-Lukens  
Executive Officer

c: David E. Janssen, Chief Administrative Officer  
Manuel Valenzuela, County Counsel